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Red Star Macalline Group Corporation Ltd.

紅星美凱龍家居集團股份有限公司

(A sino-foreign joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1528)

INSIDE INFORMATION

UPDATE ON PROGRESS OF THE POTENTIAL SHARE TRANSFER BY CONTROLLING SHAREHOLDER

This announcement is made by Red Star Macalline Group Corporation Ltd. (the “**Company**”) pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance and Rule 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Reference is made to the announcement of the Company dated January 6, 2023. The Company has received notice from its controlling shareholder, Red Star Macalline Holding Group Company Limited (the “**Red Star Holding**”), regarding its potential transfer of shares. The Company has requested to suspend the trading of A shares of the Company on the Shanghai Stock Exchange from January 9, 2023.

The Company has received notice from Red Star Holding that Xiamen C&D Inc. (廈門建發股份有限公司, a company listed on the Shanghai Stock Exchange, stock code: 600153.SH, the “**Xiamen C&D**”) is in discussion with Red Star Holding regarding its potential acquisition in cash of the A shares held by Red Star Holding in the Company representing less than 30% of the total share capital of the Company. This may ultimately result in Red Star Holding ceasing control (as defined under the applicable laws and regulations of the People's Republic of China) over the Company. The actual controller of Xiamen C&D is Xiamen Municipal State-owned Assets Supervision and Administration Commission (廈門市人民政府國有資產監督管理委員會).

As of the date of this announcement, the subject share transfer is still in the preliminary stage. No definitive share transfer agreement has been entered into between Red Star Holding and Xiamen C&D. Details of the transaction are subject to further negotiation and confirmation. Therefore, the transaction remains uncertain. The Company will comply with its disclosure obligations in respect of the progress of the matter as and when required under the relevant laws and regulations. Investors are advised to pay attention to the relevant announcements and be aware of the investment risks involved.

By order of the Board
Red Star Macalline Group Corporation Ltd.
QIU ZHE
Secretary of the Board and Joint Company Secretary

Shanghai, the PRC
January 8, 2023

As at the date of this announcement, the executive Directors of the Company are CHE Jianxing, GUO Binghe, CHE Jianfang and JIANG Xiaozhong; the non-executive Directors are CHEN Shuhong, CHEN Zhaohui, JIANG Xiangyu, HU Xiao and YANG Guang; and the independent non-executive Directors are QIAN Shizheng, LEE Kwan Hung, Eddie, WANG Xiao, ZHAO Chongyi and QIN Hong.